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Arizona Corporation Commission

COMMISSIONERS

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MARC SPITZER, Chairman
WILLIAM A. MUNDELL
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KRISTIN K. MAYES

AZ CORP COMMISSION
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IN THE MATTER OF THE APPLICATION OF
PINE WATER COMPANY FOR A
DETERMINATION OF THE CURRENT FAIR
VALUE OF ITS UTILITY PLANT AND
PROPERTY, A RATE INCREASE AND FOR
APPROVAL TO INCUR LONG-TERM DEBT.

DOCKET NO. W-03512A-03-0279

PROCEDURAL ORDER

BY THE COMMISSION:

In Decision No. 67166 (August 10, 2004), the Arizona Corporation Commission ("Commission") granted Pine Water Company ("Pine Water" or "Company") a permanent revenue increase of approximately 11.8 percent pursuant to a settlement agreement entered into by Pine Water, the Commission's Utilities Division Staff ("Staff"), and other intervenors. Decision No. 67166 also directed Staff to prepare a Staff Report within three months addressing whether a moratorium on new water hook-ups should be reinstituted for Pine Water. Pine Water is currently subject to a limited moratorium pursuant to Decision No. 65435 (December 9, 2002), whereby the Company is limited to a maximum of 25 new service connections per month.

On November 19, 2004, Staff issued its Staff Report in accordance with Decision No. 67166. In the Staff Report, Staff recommends that Pine Water be prohibited from connecting any new customers due to Staff's determination that inadequate sources of water are available to serve additional customers. Staff also indicates that the Arizona Department of Environmental Quality ("ADEQ") is unable to determine if the Company is currently delivering water that meets water quality standards required under the Arizona Administrative Code. According to Staff, ADEQ has reported that Pine Water has a pending Consent Order, Notice of Violations, and numerous plant deficiencies.

IT IS THEREFORE ORDERED that a Procedural Conference be scheduled in this matter for **December 1, 2004, at 1:30 p.m.**, at the offices of the Commission, 1200 West Washington, Phoenix,

1 Arizona. The purpose of the Procedural Conference is to discuss procedural matters including, but
2 not limited to, the need for responses to Staff's recommendations and possible hearing dates for
3 considering the allegations and recommendations set forth in the November 19, 2004 Staff Report. In
4 lieu of participation in person, interested parties may participate telephonically by calling (602) 542-
5 9002 at the designated time.

6 IT IS FURTHER ORDERED that the Administrative Law Judge may rescind, alter, amend,
7 or waive any portion of this Procedural Order either by subsequent Procedural Order or by ruling at
8 hearing.

9 DATED this 23rd day of November, 2004.

10 
11 DWIGHT D. NODES
12 ASSISTANT CHIEF ADMINISTRATIVE LAW JUDGE

13 Copies of the foregoing mailed
14 this 23rd day of November, 2004 to:

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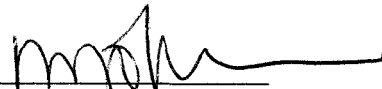
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6 By:


Molly Johnson
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